

~~SECRET~~

Approved For Release 2005/04/22 : CIA-RDP79-00927A000100060002-5

COPY NO 305

OCI NO. 8234

10 July 1953

CURRENT INTELLIGENCE WEEKLY



7
CONTINUED NO.
NO CHANGE IN CLASS. ID
DECLASSIFIED
CLASS. CHANGED TO: TS, S, C
NEXT REVIEW DATE: 188
AUTH: HR 70-2
DATE 7-25-78 REVIEWER: ☐ 25X1

CENTRAL INTELLIGENCE AGENCY

OFFICE OF CURRENT INTELLIGENCE

~~SECRET~~

25X1

~~CONFIDENTIAL~~

State Department review completed

1-228507

~~SECRET~~

~~CONFIDENTIAL~~

SUMMARY

THE PURGE OF L.P. BERIA	Page 3
NEW SOVIET REGIME STRESSES CONCILIATION	Page 10
THE EAST GERMAN SITUATION	Page 17

~~SECRET~~

~~SECRET~~

25X1

THE PURGE OF L. P. BERIA

Moscow Radio and the Soviet press have announced that L. P. Beria has been ousted from the Communist Party and from his government positions as first deputy premier and MVD minister, has been jailed, and will be tried by the Soviet Supreme Court as a traitor. "A few days ago" Malenkov gave a report from the Party Presidium to a plenary meeting of the Central Committee which discussed Beria's criminal, antiparty and antistate activities.

According to Pravda, Beria has been accused of:

- (1) trying to undermine the Soviet state in the interests of foreign capital by treacherous "attempts to place the MVD above the USSR government and party;"
- (2) machinating to seize power by using the MVD organs against the party and its leadership and against the government "by selecting MVD personnel on the basis of loyalty to himself;"
- (3) "impeding decisions, under various invented pretexts, on most important and urgent agricultural problems with a view to undermining the collective farms and creating difficulties in the food supply;"
- (4) trying to undermine "with various crafty schemes" the friendship of the USSR peoples, to disseminate hostility among them and "to achieve bourgeois nationalism in union republics;"
- (5) impeding and distorting Central Committee and governmental orders regarding the strengthening of Soviet legislation and the liquidation of lawlessness and arbitrary action;
- (6) becoming a "bourgeois renegade," an "agent of international imperialism" and hatching plans to seize power with the aim of destroying the party and changing the party's policy to a "capitulatory policy which would have brought about ultimately the restoration of capitalism".

~~SECRET~~

~~SECRET~~

25X1

US ambassador Bohlen on 6 July reported rumors circulating in Moscow that Beria was in difficulty if not in disgrace because of the recent disturbances in East Germany.

While Beria's absence from the opera on 27 June may indicate that he was under arrest on that date, it is also possible that he was in Germany, personally supervising the restoration of order. It would appear to have been almost impossible to make the necessary arrangements for his arrest while he was still in Moscow because of the intelligence sources and police power at his disposal. There is some indication he may have been in Berlin on 17 June, the day following the outbreak of the East German demonstrations.

Other recently noted evidence that Beria might have been in trouble was the continued postponement of the Georgian party congress originally scheduled for 25 May. This meeting presumably would have confirmed that republic's April purges which had generally been credited to Beria's influence.

The appointment of S. K. Kruglov to succeed Beria as MVD minister is an illustration of the lack of loyalty among top Soviet bureaucrats. Kruglov was Beria's deputy police chief from 1939 and succeeded him as chief of MVD in 1946 when Beria relinquished his ministerial duties and became a full member of the Politburo. The following description has been made of Kruglov: "a baby-faced leviathan of six feet, two inches and 245 pounds, he looks like a cop and is one. At Potsdam he chain smoked, enthusiastically bummed chewing gum from every Yank he met, and consumed vast quantities of food and vodka, keeping his belly shaking with laughter between mouthfuls. Truman liked Kruglov well enough to give him an autographed picture and a Legion of Merit."

Although Beria in addition to his police responsibilities was generally considered to have run the Soviet atomic energy program, it is quite unlikely that Kruglov will have greater than security responsibilities in this field. There is also no reason to believe at present that Beria's removal will change the USSR's emphasis on this program.

With respect to the foreign policy implications of Beria's arrest, the Pravda editorial again pointed out that the Soviet government has "stated more than once that

~~SECRET~~

~~SECRET~~

25X1

all unsolved international questions under dispute can be solved by negotiations between the interested countries," and that "the new peaceful initiative demonstrated by the Soviet government has brought about the further strengthening of the international position of the Soviet Union and the growth of the authority of our country." On the other hand, there are significant allusions to "the general intensification of the undermining anti-Soviet activities of international reactionary forces," to the fact that "international imperialism is becoming increasingly active," and Beria is charged with "a policy of capitulation." All of these may well foreshadow a new "vigilance campaign" like that evoked by the first announcement of the "doctors' plot."

The desire of the governing Kremlin faction to consolidate its power should continue to provide motivation for attempts to reduce international tension. The probability of further purges, their influence on Soviet prestige throughout the Orbit, and the possible weakening of the police apparatus of control would also contribute to a desire to obtain an easing of Western pressure or interference within the Orbit. It would, however, only be under circumstances that war with the West or revolutions within the Orbit appeared imminent to a weakened regime that the Soviet leaders would consider it necessary to make major concessions to the West.

The internal power situation does not appear to have been the determining factor in the Kremlin's attitude toward foreign issues. Molotov's position in the triumvirate probably rested mainly on his seniority and prestige as one of the old revolutionaries and on his long experience in foreign affairs, and not on his control of a vast bureaucratic machine which he could throw into a struggle for personal aggrandizement. In this case, Molotov would not have been in any position to make a play for supreme power against either Malenkov or Beria, both of whom controlled the more formidable machines of the party and police. It would seem that the fundamental issues which affect the USSR's vital interests and power position in international politics were not drawn into the struggle.

In relation to the new conciliatory policy inside the Soviet Union the Pravda editorial appeared non-committal, used ambiguous language and in some cases appeared contradictory. With regard to the post-Stalin emphasis on increasing the production and availability of consumer goods,

~~SECRET~~

~~SECRET~~

25X1

the early part of the editorial seemed to emphasize heavy industry, "the very basis of the Socialist economy," machine building, technology and science adding that "our light industry and our food industries have achieved a high level....they are able at present to satisfy the growing demands of the urban and rural population on the basis of the policy of price reductions carried out by the party." However, the emphasis on consumer goods was somewhat greater toward the end when the editorial stressed that the party's task is "to consider with profound feeling workers' demands, to care daily for an all-around improvement of the living standard of workers and collective farmers, intelligentsia, and all Soviet peoples." It is not clear whether Pravda was modifying its 8 July announcement that this year "additional reserves have been found for an increased output of consumer goods amounting to over twenty billion rubles in excess of the envisaged annual plan for consumer goods turnover." On the whole, the renewed emphasis on heavy industry, on "the strengthening of the economic and defensive might of our motherland," and "the tasks set by the 19th Party Congress" would indicate that the benefits to the people promised by Pravda in its 8 July editorial would not be at the expense of the Five Year Plan.

With regard to the anti-Russification policy, another important factor of the new "liberal" policy, Pravda was also unclear. Beria was accused of trying "to undermine the friendship of the USSR peoples -- the very basis of the multi-national socialist state and the main conditions for the successes of the fraternal Soviet republics -- to disseminate hostility among the USSR peoples and to achieve bourgeois national elements in union republics." This language is generally similar to the recent criticism in the Georgian and Ukrainian republics which launched the anti-Russification drive in propaganda. However, the inclusion of the phrase "bourgeois nationalism" suggests that Beria may be accused of encouraging local nationalism to the detriment of Soviet patriotism which would seem to indicate a return to Russification. It is possible that Pravda is here cautioning the people not to overinterpret the anti-Russification propaganda or take too literally the propaganda line that the minority republics are "equals among equals" with the Great Russians.

~~SECRET~~

~~SECRET~~

25X1

In any event, the editorial emphatically reaffirmed the party's dominance over all Soviet institutions, particularly the MVD, in stating: "Every worker, in whatever post, must be under the constant control of the party. The party organizations must systematically check the work of all organizations and the administrative activity of all leading workers. It is necessary to check systematically and unremittingly the activity of the USSR Ministry of Internal Affairs. This is not only the right but the direct duty of the party organizations."

With regard to the danger of reversing the present liberal trend Ambassador Bohlen recently reported that it might be radically changed as a result of top level dissension. However, in his estimation a reversion to the state of terror characteristic under Stalin would come as a shock to the population and would severely strain the system.

The captive peoples of Eastern Europe will receive the downfall of Beria and the clear implication of dissension within the Communist regime with great satisfaction, and unrest will be encouraged. The more violently anticommunist elements in Eastern Europe may be stimulated by this sign of weakness to participate in underground resistance work, at least for the time being. However, riots or other violent demonstrations can be prevented or controlled unless the Soviet security system is so disorganized by the coming purge that local operating units of the Satellite security systems also are involved.

Certain individuals in these police organizations, which in varying degrees are coordinated with and controlled by the Soviet security system, are certain to be affected. Consequently, it is expected that there will be some confusion in the Satellite security ministries and headquarters, but it probably will not seriously disorganize the operating units.

There is no firm evidence that any specific Satellite leaders have been dependent on the support of Beria. However, a large-scale communist purge can be completely irrational and indiscriminate in its choice of victims. For this reason, it is expected that there is considerable uneasiness among the Satellite leaders. A large-scale purge within the USSR will undoubtedly involve some of them, who will be victimized for real or imagined association with Beria and his alleged ambitions.

~~SECRET~~

The purge of Beria has cut across the manifestations of more liberal economic programs which have been appearing in East Germany, Hungary, and to a lesser extent in Albania and Rumania. The reforms which have been made or promised appear calculated to cope with long-standing problems that the policies of the Stalin regime had failed to solve. These problems, shortages of food and consumer goods, labor apathy, peasant resistance and general discontent, are as serious as ever. It seems logical to assume that the reforms will therefore continue in force for the time being, in order to eliminate as much as possible these internal weaknesses. But the accusation that Beria was aiming at "replacing the policy pursued by the party for many years with a capitulatory policy which would have brought about the restoration of capitalism" suggests that the economic reform program may be re-examined.

In this connection, the accusation that Beria "under various invented pretexts, has in many ways impeded decisions on most important and urgent problems in the field of agriculture....with a view to undermine the collective farms and create difficulties in the country's food supply" may portend a resumption of the collectivization drive in the Satellites.

Malenkov and his colleagues may have seized upon the recent riots in East Germany as an excuse for the final move against Beria but Beria's ousting appears to have resulted from deeper considerations than the need to provide a scapegoat for disturbances in the Orbit.

Beria's arrest would seem almost certainly to have been the result of a struggle for power. Judging by the nature of the accusations against him, the other Soviet leaders suspected that he was wielding his power as police chief too arbitrarily with an eye to increasing his role in the regime. It is also possible that these accusations are false and that Malenkov and his supporters took their first opportunity to arrange a colleague's removal.

Certainly this move would seem to have been made at an extremely inopportune time from the viewpoint of the Kremlin's presenting the world with at least a facade of strong, unified leadership. With the recent developments in East Germany, the comparatively high degree of unrest in the Eastern European Satellites and the prestige which Mao enjoys as a Communist leader, Malenkov's arrest of the number two figure in the regime seems to be an overly bold and even illconsidered move in a struggle for power.

~~SECRET~~

25X1

Some measure of the gravity with which the remaining leaders faced this action emerges from the accompanying announcements that local party central committees in Moscow, Kiev and "other places" had been convened and that they unanimously supported the decision.

How extensive a purge will now be necessary to remove Beria's previous supporters and create a new power balance is not yet clear. It seems likely that at least five republic MVD ministers who appear to be Beria appointees will be, or perhaps even have been, replaced. Beria's trial may implicate other figures, perhaps on the Presidium level. However, the remaining leaders must be aware that their rule, to outside eyes, will appear weaker and more confused in direct relation to the size of the purge. Unless the situation deteriorates to a point where one faction, in an effort to vanquish another, directly depends on the military power of the army, it is unlikely that the latter, permeated with police and party controls, will play a significant political role. The calling of the army into such a struggle would be a dangerous, last resort move in that it would facilitate what has been carefully guarded against for thirty-five years -- a coup by the military over the political leaders.

The decision to try Beria, apparently publicly, in the Supreme Court is reminiscent of the great show trials of the 1930's, when the victims were sentenced by the military collegium of that "highest judicial organ" of the USSR. While most of this court's work is concerned with the review of decisions of lower courts, it does act as a court of original jurisdiction in cases of high treason of exceptional importance.

~~SECRET~~

~~SECRET~~

25X1

NEW SOVIET REGIME STRESSES CONCILIATION

Since the death of Stalin, the new Soviet government has steadily modified many of the tactics characteristic of the past regime, both in internal and foreign policy. Although the evidence of tactical changes is mounting, there is no indication that the strategic objectives of the USSR under Stalin have shifted.

The Kremlin would still seem to be dedicated to: the consolidation and defense of the Soviet Orbit; the neutralization of US military power, particularly American superiority in atomic weapons; the weakening and disruption of the Western coalition and the isolation of the US from its allies; the reduction and ultimate elimination of Western, particularly American power and influence in Asia and the Far East; and the achievement of Communist control of or a major voice in Asian governments.

Current Soviet tactics both in the "peace campaign" and in the conduct of internal affairs, are in general more intelligently designed than Stalin's to accomplish these objectives. The major changes affect certain policies apparently devised by Stalin which must have appeared to the new regime as unproductive and disadvantageous for Soviet foreign and domestic policy. Stalin's policies had kept international tensions dangerously strained, had promoted greater cohesion among the Western powers, had proscribed the economic benefits of substantial trade with the West, and were resulting in unrest within the Orbit.

The rioting in East Germany may give the Kremlin pause in the pursuit of its new tactics, or at least cause it to review them in the light of the apparent miscalculation in assessing their effects. Moscow reacted with repressive measures, which damaged its over-all "peace" program, but nevertheless appears to be continuing a policy of concessions to Orbit peoples despite the risk that they will be encouraged to make further demands.

The first three months of the new Soviet regime's foreign policy have been marked by a series of steps designed to remove some sources of East-West tension. The conciliatory gestures thus far, however, have cost the USSR little. On the larger international issues there seems to be little possibility of important substantive concessions beyond a military truce in Korea.

~~SECRET~~

~~SECRET~~

25X1

In Korea, the Communists have not fully exploited South Korea's revolt against the UN command. The Kremlin probably still considers that a Korean truce is a sine qua non for the success of its over-all tactics.

As long as the Korean war continues, the new Soviet regime is faced with the risk of an expanded or uncontrollable war which it probably does not desire at this time. Continuation of the war tends to maintain a high level of international tension. The necessity of providing material support directly to North Korea and to the Chinese Communists may have interfered with the new regime's desire to slacken the pressure on the Soviet people.

Without a truce there could be little hope for Soviet diplomatic efforts designed to dispel Western suspicions. Neither would it be possible to foster in the West a false sense of security tending to undermine rearmament programs. Continuation of the hostilities would hinder the development of an international climate in which latent differences among the major Western allies could reach serious proportions and cause smaller nations to re-examine their participation in US-led coalitions.

A Korean truce would also immediately raise such questions as the future status of Formosa and UN membership for Communist China. These are issues on which US freedom of action has been sharply circumscribed and about which serious differences have already arisen between the US and its allies.

In Most of Southeast Asia the Communist parties have been shifting since mid-1951 to greater emphasis on political as against military action. This is in line with the Kremlin's new strategy. Both the USSR and Communist China have made efforts to dissociate themselves from the Indochinese war, and the USSR apparently expects to be able to separate this limited "national liberation" struggle from the Korean question. This effort suggests that the Kremlin may desire to continue to exploit the weakness of the Western position in Indochina despite the fact that Communist military activities there would contradict its over-all conciliation campaign.

The Kremlin's new tactics appear to be particularly aimed at driving a wedge between the US and Great Britain in order to destroy the center of the alliances around the Orbit periphery. The Pravda editorial of 24 May was cleverly designed to stress Anglo-American differences on policy toward

~~SECRET~~

25X1

SECRET

Communist China, the advisability of establishing preliminary conditions for a big power conference, and the scope of that conference.

With regard to its world-wide strategy, the USSR attempted to retain the initiative in the "peace offensive" through two major Pravda editorials (25 April and 24 May) answering President Eisenhower's call for "deeds" and Prime Minister Churchill's proposal for a high-level conference. The Kremlin has also undertaken unilaterally to improve its relations with certain countries, particularly on the Orbit periphery, and may plan to continue this approach toward lessening East-West conflicts rather than seek actual negotiations with the Western powers.

In East Germany, the conciliatory measures are designed basically to alleviate conditions which were making the occupation and the Communist regime thoroughly unpalatable. They have involved no sacrifice of real Soviet control. The timing of the measures also suggests a secondary purpose, fanning the sentiment for unification in West Germany, thus advancing the Kremlin's campaign to halt West German integration and undercut the Adenauer government.

The Kremlin could have reacted to the East German riots by abandoning its reform program. However, new reforms were announced by the East German government even during the widespread resistance. While the necessity of using military force to maintain Soviet control constitutes a serious setback to the "peace" campaign, the Kremlin probably considers that it can still best serve its objectives in Germany by a gradual relaxation of the mailed fist after order is restored.

Past experience suggests that the USSR would make no play for German unity on terms acceptable to the West. The Pravda treatment of German issues suggests the contrary, and the recent disturbances in the Soviet zone have sharply limited Soviet maneuverability in any negotiations on Germany. In addition, the conciliatory measures adopted in East Germany are aimed at easing the Soviet position in a continued occupation of the area. The recent rioting has probably served to impress upon the Soviet leaders the danger of losing all of Germany in any relinquishment of their present controls in the Soviet zone. There is always the possibility, however, of a Soviet gesture toward German unity so attractive on the surface that the West would find it very embarrassing to reject it.

SECRET

~~SECRET~~

25X1

Soviet moves in Austria have paralleled those in Germany, although on a less spectacular scale, and probably reflect the Kremlin's desire to offset the bad effects of its refusal to negotiate an Austrian treaty. They also underline the new flexibility of the Soviet rulers in giving diplomatic support to the more conventional tactics of past "peace offensives."

A new diplomatic finesse has also been visible in Soviet tactics in the Balkans, which reveal the Kremlin's consciousness of the bankruptcy of the old policies of pressure and hostility. Moscow apparently hopes to stave off the drive for a Balkan pact between Greece, Yugoslavia and Turkey and to minimize their cooperation with NATO by ostensibly removing the reason for both. A subsidiary aim of the softer tactics toward Tito might be to arouse Western suspicions of the intentions of his regime.

In the Near East, a barter agreement recently concluded with Iran is reportedly being followed by negotiations for the settlement of all outstanding issues. Moscow's hint at a resumption of relations with Israel reflects the easing of the old regime's anti-Zionist campaign.

The Kremlin has also revealed a new awareness of the value of trade and trade propaganda as supports for its political efforts to undermine Western solidarity. Collateral aims are apparently those of securing a limited increase in trade with the West to supplement bloc production of industrial commodities still in short supply and of making available within the USSR a somewhat larger quantity of consumer goods.

Current Soviet bloc trade approaches are comparatively realistic, calling for trade expansion involving exports desired by the West which are well within bloc capabilities to deliver. Some 80 bilateral trade talks were initiated between the Soviet bloc and other countries following the Geneva meeting of the Economic Commission for Europe in mid-April. The Soviet trade approaches have already resulted in agreement for some expansion of East-West trade and have reinforced the insistence of some COCOM members on exceptions to previously agreed strategic controls.

The Orbit's trade tactics are more skillfully tailored to the economic bargaining strength of the various Western European countries. While the bloc is adamant in demanding the delivery of strategic goods by Italy and Austria, it has

~~SECRET~~

~~SECRET~~

25X1

recognized its weaker bargaining position with the Scandinavian countries by making some concessions on items subject to Western export controls.

The USSR is also employing the tactic of linking demands for strategic materials with the purchase of larger quantities of consumer goods, as in trade talks with France. Such tactics strike at vulnerabilities in the West European countries where producers of textiles and other consumer goods are having difficulties in finding markets. In addition, Orbit propaganda is exploiting European fears of higher US tariff walls.

Within the USSR, the new leaders are showing in many ways that they have a more liberal approach to the art of government than had Stalin. They appear to be attempting a reduction of governmental dependence on police power and forced labor. In at least three republics there have been indications that Stalin's extreme Russification policy has been ostensibly, if not actually, reversed in favor of national minority rights.

The press has revealed that original plan goals for consumer goods have been raised. The delay in announcing the 1953 budget suggests a revamping of the Five-Year Plan with the possible abandonment of some costly long-term projects.

These moves in no way add up to a democratization of the USSR or even to a diffusion of the political and economic authority concentrated at the top. The fall of Beria attests to that. They do indicate a greater flexibility in internal affairs than Stalin apparently felt was safe. It may be that Stalin's extreme emphasis on coercion, tension, and violence were the products of both his own personality and the times in which he rose to power.

In contrast, when the present leaders came to power they already had long backgrounds of administrative and technical experience, including in some cases, a formal technical education. Furthermore, today they rule a country which in comparison with the 1920's is far more industrialized and better educated. They may well consider that their more liberal approach to internal conditions and problems will provide their reign with greater stability, and that a rise in consumer goods will raise morale, make the incentive pay system more effective, and compensate by greater worker productivity for any temporary de-emphasis of military and heavy industrial production.

~~SECRET~~

~~SECRET~~

25X1

With regard to the stability of the new Soviet government, the consistency of the present program had seemed to argue that any power struggle in the Kremlin had been temporarily submerged beneath agreement among a majority of at least the top half dozen leaders.

The government, however, was faced with problems of such magnitude that its stability was open to question. The necessity of maintaining internal dictatorial controls seriously limits the concessions which can be made to alleviate the widespread strains and stresses resulting from the relentless pursuit of communist objectives. Popular pressure alone would appear insufficient to threaten the government. The greatest danger to the collective leadership always seemed to be from within - the necessity to rule in concert, restrain the supposed propensity for individual political maneuvering and effect a transfer of power with a minimum of friction in the event that the balance in the collective leadership were to be destroyed. Serious setbacks to important Soviet policies, such as the apparent miscalculation in East Germany, could always have repercussions in the Kremlin affecting the position of any member of the top leadership. The Berlin riots may well have been the decisive blow for Beria.

In Eastern Europe, the regimes in Albania, Rumania, and particularly in Hungary, are making concessions reflecting the basic differences in approach between the new Soviet regime and the old.

The sweeping reorganization of the Hungarian government and top party leadership, accompanied by the announced intent of the new regime to slow down the tempo of socialization and relax its harsh coercive policies, is unparalleled in post-war Eastern Europe and may be indicative of a sharp change in Soviet tactics throughout the Orbit. While the shakeup can be partially explained by Hungary's critical economic situation and by growing popular discontent, the nature and extent of the changes appear to reflect the Kremlin's decision to adapt its more moderate policies to its Eastern European Satellites and to install a leadership which it considers more capable of instituting these policies.

This is in marked contrast to the currency reform and abolition of rationing in Czechoslovakia on 30 May, which practically wiped out savings and reduced purchasing power from current income by 15 to 40 percent. The spontaneous strikes and demonstrations which these drastic measures precipitated in Czechoslovakia highlight the increasing current

~~SECRET~~

~~SECRET~~

25X1

of unrest in Eastern Europe. These demonstrations, followed by even more serious riots in East Germany, have undoubtedly given new impetus to Satellite restlessness and could lead to spontaneous outbreaks and demonstrations elsewhere in Eastern Europe.

While such disorders, like those in Czechoslovakia, can be contained by the security forces, any further show of resistance will prove that the Soviet grip on Eastern Europe still rests on the presence or close proximity of Soviet military power. It will also disclose, to the Kremlin as well as to the outside world, that the techniques of Sovietization as developed under the Stalin regime have not evoked the loyalty of the Orbit peoples to the USSR.

In conclusion, the new Soviet regime has clearly displayed considerably greater flexibility than its predecessor in developing milder methods in the conduct of foreign and internal governmental relations, although its continuing objectives are surely those of the old.

It probably considers that with an end to the fighting in Korea, new pressures will be released on the US from its allies for relaxation of trade controls, four-power negotiations, and "stretch-outs" in rearmament and NATO planning. Moscow probably hopes to be able to postpone serious discussions until pressure and frictions accumulate throughout the non-Communist world, while Soviet propagandists attempt to prove US unwillingness to cooperate in reducing tension. The current high volume of propaganda devoted to the bright prospects of expanded East-West trade will reinforce West European interest in political talks.

It would seem that the Soviet leaders for some time will not deem it necessary to do more than to repeat assurances of willingness to negotiate with the West and meanwhile to adjust bilaterally disputes with some nations, particularly on the Orbit periphery. There is little to indicate a willingness to make the broad compromises necessary to achieve a basic solution to major political problems.

There is no evidence of decisive changes in the relative capabilities and vulnerabilities of the Soviet Orbit and the West which would impel Moscow to negotiate a general settlement. Nevertheless, the riots in East Germany and the widespread unrest in the Satellites would seem to reinforce the motivation for a detente.

~~SECRET~~

~~SECRET~~

25X1

ROUNDUP OF THE EAST GERMAN SITUATION

I. Nature and extent of the riots and demonstrations:

The demonstrations in East Germany on 16-17 June were of sufficient magnitude to lead to an immediate intensification of Soviet military control and to disrupt communications for several days. The focal point of the disorders was East Berlin, where a demonstration of workers from the Stalinallee construction project set off the chain reaction of disturbances on 16 June.

The events occurred in the following order:

- A. With a call for a 10 percent decrease in production norms, about 5,000 workers at the Stalinallee project started demonstrating at about noon on 16 June. (Some 2,000-3,000 Stalinallee workers had actually started striking on the preceding day at 0900.)
- B. The demonstrators marched to the vicinity of the Leipzigerstrasse government offices where two East German ministers, Rau and Selbmann, attempted to pacify and disperse them. The crowds shouted down Selbmann and, at about 1400, a demand was made for all-German elections and the resignation of the government.
- C. The demonstrators then moved to Alexanderplatz and called for a general strike.
- D. At about 1500 the demonstration ended.
- E. At about 1700 a delegation of East Berlin workers called at RIAS, West Berlin radio, requesting assistance in spreading their call to East Berliners to go on general strike the following day.
- F. Demonstrations by scattered groups of East Berliners continued until 0030, 17 June.
- G. The demonstrations were continued with increased force and intensity on 17 June, spreading throughout East Germany. East Berlin was again the central point of activities, though strikes and demonstrations of greater magnitude occurred at least at two points elsewhere in East Germany, Magdeburg and Halle. The following events occurred in East Berlin on the 17th:

~~SECRET~~

~~SECRET~~

25X1

1. At 0500 RIAS called on the East Berlin population to support the demonstrators.
2. The Soviet occupation of the city commenced very early, with tank units being observed as early as 0430.
3. About 17,000 demonstrators were marching toward the government office district by 0830.
4. Some elevated train traffic was halted by 1100.
5. During the morning the demonstrations became violent. Police were beaten and thrown into a canal; several buildings, kiosks and police huts were burned; police cars were overturned and burned; there was looting.
6. By 1200 East Berlin's elevated and subway trains were at a standstill.
7. Shortly after noon East German police started using small arms fire to scatter the mobs, and during the afternoon both Soviet and German forces employed firearms.
8. At 1345 martial law was announced.
9. During the afternoon strong forces of Soviet armored cars, tanks and troops moved into East Berlin from East Germany.
10. At 1800, the streets were still filled with crowds (numbering about 100,000), and two large fires were in progress.
11. At 1900 the streets were still crowded including large numbers of Soviet tanks and troops.
12. By 2015 order had been largely restored and only people's police and Soviet troops were on the streets.
13. At 2100 the curfew went into effect.

H. Demonstrations and riots occurred simultaneously throughout East Germany. Disorder was reported from nearly every city, but demonstrations, strikes or riots have been confirmed only in the following places: Aue (strikes in the uranium mines), Bitterfeld, Brandenburg, Chemnitz, Cottbus, Dresden, Erfurt, Gera, Goerlitz, Gross Beeren, Halle (where the prison was stormed and prisoners released), Hennigsdorf (strikes in the steel mills), Hillersleben, Jena, Koenigswusterhausen, Leipzig, Ludwigsfeld, Magdeburg, Merseburg (strikes at the Leuna Works), Nachterstedt (burning of briquette factory), Neuruppin, Rostock,

~~SECRET~~

~~SECRET~~

25X1

Schkopau (strikes at the Buna Works), Schwerin, Torgau, Warnemuende, Wismar, and Zwickau.

It has been confirmed that the following major plants were inoperative because of strikes:

1. Oberspree Cable Works, Berlin.
2. Karl Liebknecht Transformer Works, Berlin.
3. Treptow Communications Equipment Works, Berlin.
4. Hennigsdorf Steel Mills.
5. Buna Works, Schkopau.
6. Leuna Works, Merseburg.
7. Briquette Factory, Nachterstedt.

II. Soviet reaction:

A. Diplomatic:

The only official Soviet reaction to the riots was a 20 June letter from the Soviet commander in Berlin to his Allied counterparts. He held that not only had the Western powers failed to keep agents from crossing into East Berlin in connection with the riots but that US officers in full uniform actually directed the rioters.

B. East German propaganda:

1. Primary blame was placed on Western agents.

- a. The US bore the main blame. There were reports of US officers in full uniform directing rioters, US planes dropping pamphlets, US radio cars issuing instructions, MSA funds used.
- b. British and French authorities were also accused, but later propaganda gave them a subsidiary role.
- c. Adenauer, Kaiser, Ollenhauer, Reuter were all subject to bitter attack. Nazi remnants were also cited.
- d. Western agents were used as an excuse for not resuming normal communications and travel in Berlin. (This charge was in a 20 June letter of the Soviet military commander in Berlin.)

~~SECRET~~

~~SECRET~~

25X1

2. Western motives were attacked.

- a. The riots were tied to Korea. Hands of the Western powers were seen in both the riots and the Rhee prisoner release.
- b. The West was said to be frightened by the prospect of East German reforms destroying the Adenauer war policy and to be trying to sabotage them.
- c. A comparison was made with Hitler's tactics and with the "invasion" of North Korea.
- d. The West was accused of trying to prevent an understanding between peoples, of lighting the fuse of a new war.

3. There were admissions that the workers were in some cases misled.

- a. The party was blamed for letting this happen; it had lost touch with the workers, failed to heed their demands.
- b. Now the workers were protesting the attempt to deceive them.
- c. The misled workers would not be punished.

4. There were some indications that the riots would not stop future reforms.

- a. "The riots will not deter determination to carry out reform. The riots did not force the reforms; the reforms started before the riots."
- b. "Soviet peace policy has made possible a reduction in military and heavy industry - - butter, not guns. This will permit more consumer goods. Nevertheless high productivity is still essential."
- c. Propaganda continues to stress examples of applications of reforms - - return of farms and private business.

C. Soviet propaganda:

1. Moscow's immediate reaction was to publicize East German reports and comments.
2. Soviet restraint of initial comment was much less evident in subsequent propaganda. The

~~SECRET~~

~~SECRET~~

25X1

23 June Pravda lead article -- "Failure of Foreign Hirelings' Adventure in Berlin" -- apparently was the first independent editorial comment. In general, Moscow's line was a recapitulation of East German charges.

3. Notes on Moscow's attention to the event:

- a. On 25 June public "protest" meetings were organized in Moscow for the first time since the Kojé riots (May 1952) and only the third time since World War II. The widely publicized meetings voiced faith in the German workers even while repeatedly calling on them to rally around the Socialist Unity Party and the East German government.
- b. Comment on the riots was heavy to the home audience, and news items gave them unusual attention.
- c. The meetings and propaganda appeared designed to establish the meaning of the German events for the Soviet people, giving them assurances as to the stability of the East German government. At the same time, however, they were used to warn of the dangers of a new war by explicitly designating the riots as a provocation to a new war.
- d. Moscow's heavy attention to the event in German-language broadcasts, in contrast to Moscow's usual treatment of unfavorable Satellite developments, appears intended as a reaffirmation of Soviet support of the East German government.

III. East German capabilities:

In the face of popular uprising the East German military and people's police proved to be both inadequate and unreliable. Intervention of the people's police during the initial period was sporadic and half-hearted. For many recruits of the people's police, it was the first exposure to violence and the necessity of using arms against a mob, and their reactions were varied. Many feared for their lives, and for this reason fired indiscriminately into the crowds. Others defected to West Berlin. No doubt many were swayed by sympathy with the rioters and revulsion at firing on their fellow-countrymen.

No accurate figures as to the number of German military or police defectors during the riots are available, but it is

~~SECRET~~

SECRET

25X1

believed that 150-200 came over to West Berlin during this period. These defectors were probably from the units originally charged with the maintenance of order who were surprised by the unexpected ferocity of the demonstrators. There is no reliable evidence of widespread desertions and mutinies among the German military or the people's police units. The German peoples forces were confined to their barracks and not committed until 18 June, when Soviet forces had gotten control of the situation. This suggests that the Soviet authorities considered these forces unreliable or inadequate to the situation. When committed, the German military were used primarily as border guards.

On the basis of their performance, it does not appear that East Germany's military and police forces have either the physical capability or morale to maintain order without Soviet help. The breakdown of German military morale under the stress of a major war is probable. It is questionable whether they could be depended upon to keep order if the Soviet occupation armies were otherwise committed. There have been many unconfirmed reports that the East German military forces will be substantially cut.

IV. East German government reaction:

- A. The East German authorities reacted to the riots by issuing a series of decrees and announcements, most of them designed to placate the population. These measures were as follows:
1. At 1630 on 16 June the East German government announced that the 10 percent increase in workers' production norms should be considered cancelled as a compulsory measure and that future norm increases would depend on the workers' voluntary consent.
 2. At 2000 on 16 June Minister President Grotewohl and his deputy, Ulbricht, addressed a meeting of Socialist Unity Party members, promising "further far-reaching measures" to correct past mistakes.
 3. At 1530 on 17 June the government issued an announcement calling on the people to maintain order and go back to work, promising punishment to the perpetrators of the riots, and calling upon the mass organizations to support the government.
 4. At 2200 on 17 June the government issued an announcement stating that "agents of foreign

SECRET

~~SECRET~~

25X1

- powers, fascists and other reactionary elements" had started the demonstrations.
5. At 2317 on 17 June the government announced that normal work would be resumed on the following day.
 6. At 2346 on 17 June the government announced that the riots ended "in the complete collapse of the adventure" and that further disturbances would result in severe punishment.
 7. At 1020 on 18 June the Socialist Unity Party executive pledged party efforts in restoring normal operations and ferreting out "provocateurs."
 8. On 21 June the Socialist Unity Party's Central Committee announced the following proposed improvements: reduction in norms, reinstatement of train fare reductions for workers, increase in pensions and accident benefits, liberalization of the sick leave policy, restoration of social insurance benefits to all citizens, improvement of housing in industrial areas, improvement of sanitary conditions in nationalized industries, increase in the supply of working clothes, and discontinuation of daily electric power reductions.
 9. On 24 June Grotewohl said a new wage policy was needed, that there was "no need to build up a heavy industry" on the scale planned, and that all efforts must be concentrated on the fight for German unity.
 10. On 25 June the government decreed the following: abolition of work norm increases, improvement of the food supply, improvement of the supply of working clothes, improvement of the supply of industrial goods, improvement of housing, "further development of peasant holdings," reductions in agricultural delivery quotas, and increase of pensions and social welfare benefits.
 11. On 26 June, at a staged demonstration in East Berlin, Grotewohl promised that the government would rectify its errors and improve the living standard of the workers.
 12. On 26 June, Deputy Prime Minister Rau, speaking at Chemnitz, declared that the government would concentrate on the consumer goods and export industries at the expense of heavy industry.
 13. On 27 June the government announced that releases of food and industrial goods from the state reserves were possible because of reduced requirements of the armed forces.

~~SECRET~~

~~SECRET~~

25X1

14. On 28 June the East German radio reported that the USSR-led peace campaign had made it possible for the East German government to "consider the reduction of our police forces ... and use the funds and industrial goods earmarked for them for the benefit of the population."
15. On 29 June Minister of Justice Fechner announced that no special courts had been set up to deal with the "provocateurs" of 17 June and that only "persons guilty of crimes" would be punished.
16. On 30 June the State Commission for Trade and Supply announced that meat ration cards would be fully honored and that fish would not be substituted for meat.
17. On 3 July the East German press carried a "correction" stating that only "persons guilty of serious crimes" would be punished. A statement was added that the right to strike is constitutionally guaranteed, and that no one would be punished for activities on a strike committee.
18. On 5 July, the East German public prosecutor announced that since 11 June 7,753 prisoners had been released, most of them serving terms for economic crimes.
19. On 7 July the government announced increased pay for minors based on length of service. According to press reports, workers' demonstrations were flaring again in East Berlin on 7 July. These reports indicated that strong Soviet and German forces had moved in to maintain order. There were some indications that the disorders would continue, possibly on an increased scale, on 8 July.

V. Soviet policy reaction:

- A. The immediate Soviet reaction was a firm show of military strength, combined, however, with a desire to avoid shooting whenever possible. The cautious, slow lifting of martial law indicated a Soviet desire to return to normalcy as soon as possible without renewing the danger of new outbreaks. Soviet authorities in Berlin have so far retained most of the severe restrictions on travel between the sectors of the city.
- B. The USSR has not yet showed its hand on any new long

~~SECRET~~

~~SECRET~~

25X1

range policy line in reaction to the German developments. However, the recall of top diplomats and particularly the reported recall of top Soviet officials in Germany may have been for the purpose of re-examining present policy or gauging Western reaction to the new Soviet tactics to date.

25

~~SECRET~~